

MINUTES OF MEETING OF STATE BUILDING COMMISSION

EXECUTIVE SUB-COMMITTEE

APRIL 2, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

C. Warren Neel, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State
Steve Adams, State Treasurer

OTHERS PRESENT

Michael A. Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Loretta Baltz, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Mark Wood, Secretary of State's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Pat Haas, Bond Finance
Dennis Raffield, THEC
George Brummett, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Duane Hawkins, Department of Finance and Administration
Ken Scalf, Department of Finance and Administration
Terry Bonham, Department of Environment and Conservation

Rob Weber, Cumberland Trail Conference
Alison Bullock, Cumberland Trail Conference
Monty Adams, Franklin County
Paul Evan Davis, Department of Environment and Conservation
Philip Smith, Department of Finance and Administration
Randy McCann, TVA
Philisa Bennett, Department of Environment and Conservation
Mike Gaines, Department of Environment and Conservation
Tom Callery, Department of Environment and Conservation
Herbert Harper, Tennessee Historical Commission
Lee Myers, Wynnewood State Historical
Tom Neal, Wynnewood State Historical
Jan Sylvis, Department of Finance and Administration
John Garrott, Wynnewood State Historical
Nell Fulbright, Wynnewood State Historical
Kevin Smith, Wynnewood State Historical
Walter Durham, Wynnewood State Historical
Mike McDonald, Wynnewood State Historical

Commissioner Neel called the meeting to order at 2:07 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

* * * * *

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Sumner County – 30.0 +/- Acres – Wynnewood State Historic Site, Gallatin, TN – Trans. No.02-01-006 (GM)**

Purpose: Acquisition in Fee to provide protection for the Site by buffering from impact of residential and commercial development.

Source of Funding: Land Acquisition Fund

Estimated Cost: Pending Appraisal – Not to Exceed \$93,217.00

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Bledsoe Lick Historical Association, Inc.

SSC Report: 03-18-02. Mr. Nathan Harsh of the Bledsoe Lick Historical Association presented a summary of the Wynnewood Site. Mr. Harsh advised that the site is on the National Historic Register and the acquisition of the property would provide protection from future development. He further stated that Middle Tennessee State University's Department of Archeology performs archeological digs on the property and requested the State consider approval of the project. Tom Callery, agency representative, advised staff that there are (2) underground storage tanks on the site and the TDEC Solid Waste Division is working to resolve the issue. Staff referred to Sub-committee with recommendation and that final approval would be subject to environmental cleanup.

Department of Environment and Conservation – continued:

SC Action: 04-02-02. Herbert Harper was recognized and introduced Kevin Smith who stated, on behalf of the Bledsoe Lick Historical Association, that the property was valued at \$140,000 and had been acquired for approximately \$93,000. Secretary Darnell asked if there were sufficient funds available, and was told there were. Treasurer Adams added that he would like to see the purchasers reimbursed for all of their out of pocket expenses. He added that he appreciated the action of this group to get this property, but warned them that they run a high risk in this kind of transaction considering the state of Tennessee's budget. After discussion, the Subcommittee approved the acquisition in an amount not to exceed \$96,000 that would also reimburse the purchasers for all their out of pocket costs.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Morgan, Cumberland, Bledsoe, Hamilton & Rhea Counties – Cumberland Trail System – Trans. Nos. 02-03-001, 02-03-002 and 02-03-004 (GM)**

Purpose: Acquisition in Fee of 28 miles of the Cumberland Trail

Source of Funding: Land Acquisition Fund
Natural Resource Trust Fund
TEA-21

Estimated Cost: Pending Appraisal

Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): Various Owners

SSC Report: 03-18-02. Rob Weber, Cumberland Trail Conference, summarized the project. Staff referred to Sub-Committee with recommendation.

SC Action: 04-02-02. Rob Weber, Cumberland Trail Conference, summarized the project. Secretary Darnell asked if the federal dollars were secure and Mr. Weber replied that they were. Treasurer Adams asked if they were going to have to come back and ask for more money. Mr. Weber responded that they have done very well and have, essentially, accomplished the opposite. Commissioner Neel asked what would be the source of funding if they exceeded their funds. Mr. Weber responded that they don't expect to exceed that amount and there is no additional source of funds. Larry Kirk asked Mr. Weber how improvements get paid for, and Mr. Weber responded that they run youth and volunteer programs and would build the trails with pro bono work. He added that development costs are lower and they have development grants in place to fund improvements. After discussion, the request was approved as presented.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

TIMS FORD DEVELOPMENT PLAN

- SSC Report: 03-18-02. Mike Fitts, State Architect, summarized the proposed Development Plan for State owned lands around Tims Ford Lake. He said the State owns the last remaining residential property on the lake comprising approximately 700 acres in five parcels. Mr. Fitts stated that the proposal provides a unique opportunity for the State to influence the quality of life in the area coupled with economic benefit for State and Local Governments. He said that it is proposed that one parcel of the five be identified and a consultant group be brought on to help with the plan for its controlled disposal. He added that this pilot project could become a model for use by other governmental entities. After further review, staff referred to Sub-committee for discussion.
- SC Action: 04-02-02. Paul Evan Davis, Department of Environment and Conservation, was recognized and gave an overview of the residential properties owned by the State of Tennessee around Tims Ford Lake. Secretary Darnell asked if the landowner issues had been resolved, and Charles Garrett said that a compromise had been reached. Mike Fitts was recognized and stated that this proposal could provide an enhancement opportunity for quality of life in Tennessee coupled with economic benefits for State and local governments. He said this represents a unique opportunity that could become a model for use by other governmental entities. Treasurer Adams asked about the covenants and restrictions and how they will be placed. Mr. Fitts responded that they would be incorporated as deed restrictions but would be coordinated with the County zoning because enforcement would become the County's responsibility. Monty Adams, Executive Director for Franklin County, was recognized and said that there are similar covenants with many of the existing residential parcels. He said they have countywide zoning and have had experience with the TVA covenants on some of the existing residential lands. Charles Garrett said that they would put out an RFP and developers would respond in accordance with the covenants. Randy McCann of TVA was recognized. He said this proposal should maximize the value more than the number of lots. Secretary Darnell stated that if they were going to sell a block to a developer, would they drive local people out and allow others in. He expressed concern over having a few rich people owning all. Mr. Fitts said he thought the results would be the opposite. He said it would be more of a mixed community oriented concept embracing new urbanism concepts. Comptroller Morgan stated that local government's interest was to maximize the value. Mr. Fitts requested approval of an expenditure of \$125,000 to hire a consultant, with expenses to be paid out of the TERDA proceeds. After discussion, the Subcommittee approved the employment of a

Department of Environment and Conservation – continued:

consultant to assist in the development of the project at a cost not to exceed \$125,000, and selected Looney Ricks Kiss as the consultant. Paul Evan Davis stated that he would like to express appreciation to Marty Marina, Tennessee Conservation League, who was not present but who first conceived this idea.

SBC Project No. 126/092-01-02

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Sullivan County – 0.988± acre and Improvement – ETSU Family Practice Center, Bristol, TN – Trans. No. 99-10-007 (GM)**

Purpose: Disposal in Fee of the old Family Practice Center at ETSU. The new Family Practice Center was constructed and occupied April 1999.

Original Cost to State: \$1.00 (leased from January 1981 to December 1990 at \$66,900.00 per year and purchased for \$1.00).

Date of Original Conveyance: December 1990

Grantor Unto State: The Industrial Board of the City of Bristol, Tennessee

Estimated Sale Price: Pending Appraisal

Grantee: Pending Advertisement

Comment: Proceeds from the sale to return to the Board of Regents for the use of ETSU, Department of Family Medicine Residency Program.

SSC Report: 11-15-99. Referred to Sub-Committee for consent agenda.

SC Action: 11-22-99. Approved the request as presented. Final action:

Comment: 11-09-01. Revise the previous approval to request approval to Advertise for Bids from Auction Companies and sell the property at auction with a minimum bid based on the current appraisal of \$155,000.00.

SSC Report: 11-09-01. Referred to Sub-Committee for consent agenda.

SC Action: 11-19-01. Sub-Committee approved the request as presented. Final Action.

Tennessee Board of Regents – continued:

- Comment: 03-11-02. Revise previous approval for disposal at less than the appraised value.
- SSC Report: 03-18-02. Gray McLeod, Real Property Management, summarized the transaction. He stated that a bid has been received in the amount of \$101,000.00 and the appraised value was \$155,000.00. Staff referred to Sub-Committee with recommendation to acquire at less than appraised value.
- SC Action: 04-02-02. Subcommittee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Rutherford County – 745 S. Church Street, Bldg. 7, Suite 703, Murfreesboro, TN – Trans. No. 02-02-922

Purpose: To provide office and related space for the TN Early Intervention System at Middle Tennessee State University

Term: April 1, 2002 thru March 31, 2007 (5 yrs)

Proposed Amount: 1,350 Square Feet
Annual Contract Rent Including
Utility and Janitorial Cost: \$16,200.00 @ \$12.00/sf
Total Annual Effective Cost: \$16,200.00 @ \$12.00/sf

Current Amount: 800 Square Feet
Annual Contract Rent Including
Utility & Janitorial Cost: \$8,500.00 @ \$10.62/sf
Total Annual Effective Cost: \$8,500.00 @ \$10.62/sf

Type: New Lease – Lowest and Only Proposal

Lessor: Decker & Belt Company – Current Lessor

SSC Report: 03-18-02. Jerry Preston, agency representative, summarized the transaction. Mr. Preston stated that the University used the purchasing procedures rather than the advertising procedure. He stated the process did go through the competition process in that the information was sent to 15 real estate companies. Mr. Preston stated the TN Early Intervention System is a grant managed by MTSU and is for early childhood intervention which is a State requirement under federal law.. He stated operating costs come with the grant. Dennis Raffield, THEC, advised that the Commission supports the request. Staff referred to Sub-committee with recommendation.

SC Action: 04-02-02. Subcommittee approved the request as presented. Final action.

TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESEE

- 1) Mr. Fitts reminded the Subcommittee that the full Commission had referred to them, with authority to act, a request for approval of a project and acknowledgment of the source of funding for **Sports Museum** at Middle Tennessee State University, and selection of a designer to design and supervise the project. Commissioner Neel stated that the University said they would raise the money for the operating costs. Secretary Darnell asked if this commitment was in writing. Jerry Preston responded that President McPhee had committed to raising the necessary monies for the operation of the facility so that could be put in writing. After discussion, the Subcommittee approved the request and the selection of Tuck Hinton Architects to design and supervise the project, with the understanding that the operating costs would be funded from gift funds.

Estimated Project Cost:	\$1,000,000.00
<i>SBC Project No.</i>	<i>166/009-02-02</i>

STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on February 25, 2002.

* * * * *

Following approval of the Consent Agenda, the meeting adjourned at 3:08 p.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: **Department of Military – Chester County**
Trans.: Equal Value Exchange
Provision: Waiver of Appraisals
- B. Agency: **Department of Agriculture – Davidson County**
Trans.: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- C. Agency: **TN Wildlife Resource Agency – Lauderdale County**
Trans.: Acquisition in Fee
Provision: Substitute Owner
- D. Agency: **TN Board of Regents – Shelby County**
Trans.: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- E. Agency: **TN Board of Regents – Montgomery County**
Trans.: Acquisition in Fee
- F. Agency: **TN Board of Regents – Montgomery County**
Trans.: Acquisition in Fee

DEPARTMENT OF MILITARY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY and EXERCISE OPTION for EQUAL VALUE EXCHANGE with WAIVER of APPRAISALS, required interest in the following real property:

Description: Chester County – 0.15 +/- Acres – Henderson National Guard Armory – Trans. No. 02-02-001 (GM)

Purpose: Equal value property exchange to provide improved access to the new Maintenance Shop for large military vehicles.

Source of Funding: Gift

Estimated Cost: Gift – State Benefit

Estimated Title,
And Survey Fees: Pending Bid

Owner(s): Chester County and City of Henderson

SSC Report: 03-18-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-02-02. Approved. Final action.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Davidson County – 14.79 +/- Acres – Edmondson Pike, Nashville, TN – Trans. No. 02-02-002 (BM)

Purpose: Disposal by Lease to Metropolitan Government for public recreation purposes.

Term: Renewal - Twenty-five (25) Years with 90-day cancellation

Consideration: Grant -- Public Purpose

Lessee: Metropolitan Government of Nashville & Davidson County, Parks & Recreation

SSC Report: 03-18-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-02-02. Approved. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Lauderdale County – 6,809 +/- Acres – Anderson Tulley WMA – Trans. No. 01-09-010 (CH)

Purpose: Acquisition in Fee of property to be utilized as a state forest, wildlife management area, and wetland preservations.

Source of Funding: Various – Phase One - \$9,000,000

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Anderson Tully Timber Company

SSC Report: 10-15-01. John Gregory, agency representative, summarized the transaction, Phase 1 funding, and stated all agencies have approved and signed-off on the transaction. He further stated the transaction will be presented to the TWRA Commission on October 24, 2001 for final approval. He also stated a portion of the property will be turned over to Division of Forestry for management. Staff referred to Sub-Committee for discussion.

SC Action: 10-29-01. Charles Garrett introduced the transaction and asked John Gregory, agency representative, to present the summary. Mr. Gregory summarized the transaction and its funding sources. Discussion ensued and Comptroller Morgan asked what would happen if the request was deferred one month. Mr. Gregory stated the appraisal for Phase 1 is completed, the timber appraisal is nearing completion, and title work and survey contracts could begin if approved today. He further stated The Nature Conservancy has committed a total of \$100,000.00 and have approximately \$50,000.00 remaining after the appraisal and title work to spend on the survey. After further review and discussion, Sub-committee deferred action until its November 2001 meeting.

Tennessee Wildlife Resources Agency – continued:

- SSC Report: 11-09-01. John Gregory, agency representative, stated that funding is in place for Phase I. Staff asked if Phase I could be a stand-alone project. Mr. Gregory stated that it could. Staff referred to Sub-Committee for discussion with the understanding that Phase I can stand-alone.
- SC Action: 11-19-01. Charles Garrett introduced the transaction. Comptroller Morgan asked about Phase 2. John Gregory stated that Phase 2 is not connected with Phase 1. Subcommittee approved the request as presented, commenting on the poor timing considering the State's current financial crisis. Final action.
- Revised Request: Request for **APPROVAL TO ACQUIRE** the subject property, Phase One, from The Nature Conservancy, substitute Owner. Due to a delay in completing the appraisal process to federal specifications, The Nature Conservancy stepped-in to purchase the property on behalf of the State.
- SSC Report: 03-18-02. Staff referred to Sub-Committee for consent agenda.
- SC Action: 04-02-02. Approved. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT with RIGHT-OF-ENTRY and with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Shelby County – 150 Square Feet – University of Memphis – Trans. No. 02-02-011 (CH)

Purpose: Disposal by Easement for installation of a 52B cabinet to add ADSL fast access to the surrounding area.

Estimated Sale Price: \$3,000.00 - Negotiated

Grantee: Bell South

SSC Report: 03-18-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-02-02. Approved. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 175 X152 Lot with Improvement – 223 Castle Heights, Austin Peay State University – Trans. No. 02-02-006 (CH)

Purpose: Acquisition in Fee for the new housing project. Subject property included in the Master Plan

Source of Funding: Land Acquisition

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Leslie Tidwell

SSC Report: 03-18-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-02-02. Approved. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Montgomery County – 110 X 148 Lot with Improvement – 295 Castle Heights, Austin Peay State University – Trans. No. 02-02-007 (CH)

Purpose: Acquisition in Fee for the new housing project. Subject property included in the Master Plan

Source of Funding: Land Acquisition

Estimated Cost: Pending Appraisal


Estimated Title, Appraisal and Survey Fees: Pending Bid

Owner(s): JoAnn Riggins

SSC Report: 03-18-02. Referred to Sub-Committee for consent agenda.

SC Action: 04-02-02. Approved. Final action.

APPROVED BY:



C. Warren Neel, Ph.D., Commissioner
Department of Finance and Administration